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United States General Accounting Office

GAO

Fact Sheet for the Honorable Vic Fazio, House of Representatives

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January 1987

SENIOR EXECUTIVE SERVICE

Answers to Selected Salary-Related Questions

ORIGINAL

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GAO

United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-226026

January 9, 1987

The Honorable Vic Fazio
House of Representatives

Dear Mr. Fazio:

Enclosed is information requested by your office on December 22, 1986, concerning Senior Executive Service (SES) salaries. In particular, you were interested in

-- the importance of salary to SES members,

-- the importance of salary in decisions to leave SES,

-- the employment areas where individuals who left SES went to work, and

-- the amount of salary increase or decrease paid to individuals who left SES and accepted new positions.

This data was gathered as part of your November 1985 request that we examine various issues concerning SES. This information was collected from questionnaires completed by members who retired, resigned, or otherwise separated from SES in fiscal year 1985 and a random sample of individuals who were SES members as of December 31, 1985. We will provide you with additional information on the questionnaires after our analysis is complete.

As agreed with your office, we plan no further distribution until 14 days from the date of this fact sheet unless you publicly announce its contents earlier. At that time, we will make copies available to others upon request. If you have questions, please contact me on 275-6204.

Sincerely yours,

Roslyn S. Kleeman

Roslyn S. Kleeman
Senior Associate Director

ANSWERS TO SELECTED SALARY AND REEMPLOYMENT QUESTIONS 1

A. CURRENT SES MEMBERS' OPINIONS ON SALARY LEVELS

We sent questionnaires to a random sample of 380 SES members employed by the federal government as of December 31, 1985. The 298 responses show that

-- 61% of the respondents were either dissatisfied or very dissatisfied with their present salary level,

-- 21% were either satisfied or very satisfied, and

-- 18% were neither satisfied nor dissatisfied with the salary levels.

B. IMPORTANCE OF SALARY IN THE DECISION TO LEAVE SES

We sent questionnaires to all 615 SES members who retired, resigned, or otherwise separated from SES during fiscal year 1985. Of the 469 former SES members who responded, 458 indicated the importance of salary in their decision to leave SES. Of these,

-- 48% responded "salary not adequate" was of some or little or no importance in their decision to leave SES,

-- 14% responded it was of moderate importance,

-- 22% responded it was of great or very great importance, and

-- 16% responded it was not applicable in their decision.

C. TYPES OF EMPLOYMENT TAKEN BY THOSE WHO LEFT SES

Of the 469 former SES members who responded to our questionnaire, 320 reported they took another paid position. Of these, 317 indicated the type of position.

33% -- business or industry
26% -- consulting
17% -- federal government
7% -- nonprofit organization
6% -- academia
2% -- state or local government
1% -- lobby organization
9% -- other.

1 Totals may not equal 100 percent due to rounding.

D. SALARY INCREASE/DECREASE OF THOSE WHO LEFT

316 SES members described the salary in their new position as follows:

-- 49% reported increased salary,
-- 27% reported that salaries remained about the same, and
-- 25% reported decreased salary.

Increased salary: Of the 154 who reported an increase in salary after leaving SES, the size of the increase varied from between $1,000 and $3,000 to $50,000 or more. The mode was a $10,000-to-less-than-$20,000 increase. Of those who reported an increase, 76% reported an increase of $10,000 or more.

The breakdown by interval is:

10% -- $1,000 to less than $3,000 increase
3% -- $3,000 to less than $5,000 increase
10% -- $5,000 to less than $10,000 increase
27% -- $10,000 to less than $20,000 increase
17% -- $20,000 to less than $30,000 increase
12% -- $30,000 to less than $40,000 increase
4% -- $40,000 to less than $50,000 increase
16% -- $50,000 or more increase.

Decreased salary: Of the 78 who reported a decrease, the amount of the decrease varied from less than $1,000 to $50,000 or more. The mode was a $10,000-to-less-than-$20,000 decrease in salary. Of those who reported a decrease, 61% reported a decrease of $10,000 or more. All of those taking cuts in salary of $30,000 or more reported that they had retired from SES.

The breakdown by interval is:

16% -- less than $1,000 decrease
6% -- $1,000 to less than $3,000 decrease
5% -- $3,000 to less than $5,000 decrease
12% -- $5,000 to less than $10,000 decrease
29% -- $10,000 to less than $20,000 decrease
9% -- $20,000 to less than $30,000 decrease
8% -- $30,000 to less than $40,000 decrease
5% -- $40,000 to less than $50,000 decrease
10% -- $50,000 or more decrease.

Of the 78 who reported that they took a decrease in salary when they left SES, 75 provided information about the type of employment they took:

-- 37% (28 respondents) indicated they were self-employed, and

-- 63% (47 respondents) indicated they were not self-employed.

Of the 47 who indicated they were not self-employed, 24 (51%) reported they had retired.

Collectively, self-employed individuals took greater salary decreases than did other SES members who left. Overall, more than two-thirds of those who reported salary decreases of $20,000 or more were self-employed. Also, of the 28 respondents who were self-employed, 17 (61%) reported salary decreases of $20,000 or more, while only 8 (17%) of the 47 respondents who were not self-employed indicated they had taken salary decreases of this magnitude.

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